

Grain SA's Morning Grain Market Commentary

GRAIN SA GRAINSA	DATE	DATE			+ - WEEK AGO		+ - MONTH AGO		+ - YEAR AGO					
	2016/07/01	2016/06/30			2016/06/21		2016/05/31		2015/06/30					
	Data	Δ	Δ%	Data	Δ%	Data	Δ%	Data	Δ%	Data				
DJIA-index	17930	235.31	↑	1.3%	17695	↑	0.6%	17830	↑	0.8%	17787	↑	1.8%	17620
Goud (Spot)	1330.05	15.26	↑	1.2%	1314.79	↑	4.8%	1268.55	↑	9.4%	1215.24	↑	13.3%	1174.27
Brent \$/vat	50.03	-0.74	↓	-1.5%	50.77	↓	-1.7%	50.91	↑	1.1%	49.51	↓	-20.6%	63.04
1 € / US\$	1.1082	-0.004	↓	-0.4%	1.1126	↓	-1.5%	1.1255	↓	-0.4%	1.1123	↓	-0.4%	1.1126
1 US\$ / ZAR	14.75	-0.010	↓	-0.1%	14.76	↑	0.0%	14.75	↓	-6.1%	15.70	↑	21.4%	12.15
Corn	R 2,083.18	-107	↓	-4.9%	R 2,190.63	*CBOT Corn Jul cents / bushel 08:00 today vs. CBOT Corn Jul 12:00 the previous day								
Wheat	R 2,337.24	-10	↓	-0.4%	R 2,346.96	* CBOT Wheat Jul cents / bushel 08:00 today vs. CBOT Wheat Jul 12:00 the previous day								
Soybeans	R 6,368.14	129	↑	2.1%	R 6,239.59	* CBOT Soy Jul cents / bushel 08:00 today vs. CBOT Soy Jul 12:00 the previous day								
Latest CBOT prices during overnight trading (Recorded between 6 a.m. to 07:00 am vs 12:00 pm the previous trading day)														
Corn July 16	358.75	372.75	↓	-4.8%	377.00	↓	-9.5%	396.25	↓	-11.4%	404.75	↓	-20.3%	450.00
Wheat July 16	431.25	429.50	↓	-0.3%	432.75	↓	-5.9%	458.50	↓	-7.2%	464.50	↓	-31.1%	626.25
Soybeans July 16	1175.00	1144.50	↑	2.1%	1150.50	↑	3.7%	1133.25	↑	8.9%	1078.50	↑	15.9%	1014.00
Latest MTM prices (Recorded between 07:00 am - 08:00 am on the last two dates) SPOT = nearest contract month (Rands / tonne)														
SORGHUM Jul 16	3680.00	-20.00	↓	-0.5%	3700.00	↓	-2.4%	3770	↓	-0.1%	3685	↑	21.1%	3040
WMAZ Spot	4640.00	-41.00	↓	-0.9%	4681.00	↓	-2.8%	4773	↓	-6.7%	4972	↑	42.5%	3255
WMAZ Sep 16	4681.00	-53.00	↓	-1.1%	4734.00	↓	-2.8%	4816	↓	-7.6%	5067	↑	46.6%	3193
YMAZ Spot	3476.00	-54.00	↓	-1.5%	3530.00	↓	-4.6%	3645	↓	-9.1%	3826	↑	27.7%	2721
YMAZ Sep 16	3530.00	-56.00	↓	-1.6%	3586.00	↓	-5.1%	3718	↓	-10.2%	3929	↑	31.6%	2682
SOY Spot	7796.00	-4.00	↓	-0.1%	7800.00	↑	1.6%	7677	↑	2.3%	7621	↑	63.6%	4765
SOY Sep 16	7886.00	1.00	↑	0.0%	7885.00	↑	1.9%	7740	↑	1.8%	7750	↑	62.6%	4850
SUN Spot	6450.00	-40.00	↓	-0.6%	6490.00	↓	-1.8%	6566	↓	0.0%	6451	↑	21.2%	5320
SUN Sep 16	6600.00	-40.00	↓	-0.6%	6640.00	↓	-2.4%	6761	↓	-1.0%	6664	↑	21.8%	5420
WHEAT Spot	4698.00	-22.00	↓	-0.5%	4720.00	↑	0.7%	4667	↓	-8.2%	5116	↑	20.2%	3910
WHEAT Dec 16	4778.00	-43.00	↓	-0.9%	4821.00	↑	0.6%	4750	↓	-7.6%	5173	↑	24.6%	3835

LATEST MARKET INFORMATION TO 23:00 (RSA TIME) AS OBTAINED FROM VARIOUS MARKET REPORTS

Market: The R/\$ strengthened only with a small amount. According to StatsSA , the producer inflation for food products remained at 10.9% .

Maize - International perspective: CBOT prices closed lower and near a two-month low following a larger-than-expected USDA planted acreage of 94.1 million acres. The 94.1 million planted acreages are the third largest in 72 years. The beginning stocks of 4.72 billion bushels were also higher than forecasts and added bearish weight to the market. Beneficial rain moves through the Midwest today through Saturday and the 6- to 10-day weathers forecast favours rain in the Midwest. **Local perspective:** The prices on the local market did not move that much yesterday and only resulted in small decreases, however today price may decrease more aggressively. Today the NAMC will publish the supply and demand estimates as well.

Soybean - International perspective: CBOT Soybeans closed sharply higher, mainly triggered by less-than expected increase in acreage. Soybean acreage in the USDA report was 83.7 million, which was up from USDA's spring forecast of nearly 82.24 million, but down slightly from what was expected. The beginning stocks of 870 million bushels were up 39% from a year ago and also higher than expectations. **Local perspective:** Soybeans are trading close to the import parity levels and well above the derived prices. The crushing margins at local price levels are also under pressure. The most important monitor points at this stage are the international prices and the exchange rates.

Wheat - International perspective: CBOT Wheat prices closed a little higher in nearby months. Rain hindered some of the harvest proses, the rain has not yet damaged the wheat, but damage could occur if the rain continues. Large yields and good test weights is still reported when the combines can enter the Kansas fields. USDA's wheat acreage of 50.8 million was on the bearish side of trade forecasts and can possibly result in price decreases if the weather in Kansas becomes drier. **Local perspective:** The wheat tariff was triggered on the 24th of May. The tariff is expected to increase from the current level of R1 224.30 per ton to R1 591.40 per ton. This is due to strong decreases in the international prices. The implementation date of the tariff is still unknown.

Domestic Market Insights & Data: www.grainsa.co.za / www.sajis.co.za

International Market Insights & Data: www.usda.co.za

Compiled by: Dirk Strydom / For any queries, contact: dirks@grainsa.co.za